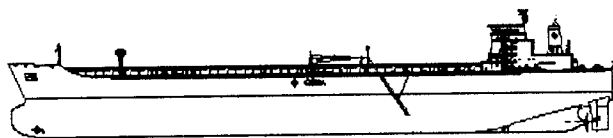
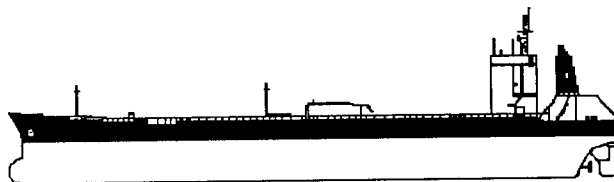
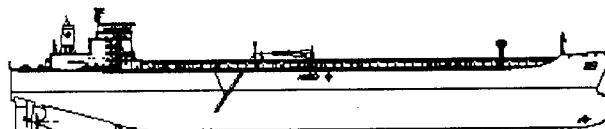
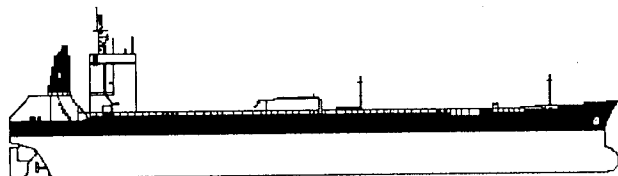




U.S. Department
of Transportation
Maritime
Administration



Outlook for the U.S. Shipbuilding and Repair Industry - 1998 -



**OUTLOOK
FOR THE
U.S. SHIPBUILDING
AND
REPAIR INDUSTRY
1998**

Prepared By:

Office of Ship Construction
Division of Cost Analysis and Production

June 1998



PHOTOGRAPH BY CHRIS OXLEY

AMERICAN PROGRESS

DOUBLE EAGLE-CLASS PRODUCT TANKER
BUILT FOR MOBIL OIL CORP.



NEWPORT NEWS SHIPBUILDING

CONTENTS

	<u>PAGE</u>
Listing of Charts	v
Listing of Tables	vi
Listing of Pictures	vii
Overview	1
World Shipbuilding Market	2
U.S. Shipbuilding	3
Industry Revitalization Efforts	5
Federal Assistance Programs	6
Title XI	7
MARITECH Program	8
MARAD MARITECH Projects	9
Commercial Ship Construction	10
New Orders	10
Deliveries	11
Current Orderbook	12
Military Ship Construction	18
National Oceanic and Atmospheric Administration	22
Ship Repair and Conversion Work	22
Naval Base Closure and Realignment	25
National Defense Reserve Fleet	26
Passenger and Cruise Vessels	27
Second-Tier Shipyards	29
Dry Cargo Barges	31
Tank Barges	33

CONTENTS

(continued)

	<u>PAGE</u>
Offshore Supply Vessels (OSVs)	34
Other Second-Tier Activities	35
Export Orders	37
Capital Investment	39
Outlook for the Industry	40
Major Shipyards	41
Oil Pollution Act of 1990	44
World Tanker Demand	44
Organization for Economic Cooperation and Development	47
Second-Tier Shipyards	48
Factors Affecting Future U.S. Industry Growth	48
References	51

LISTING OF CHARTS

<u>CHART</u>	<u>PAGE</u>
1 World Shipbuilding Orderbook (as of December 31, 1997) . .	3
2 Major Shipbuilding Facilities in the United States (as of January 1, 1998)	4
3 Commercial Shipbuilding Orderbook History	16
4 Navy Orderbooks (as of April 1988 & April 1998)	19
5 Private Shipyards with Navy Construction Projects (as of April 1, 1998)	20
6 Estimated Barge Deliveries	32
7 Powered Vessels (Ordered or Delivered During 1997)	35
8 Capital Investments	39
9 Shipbuilding Industry Workload Projection (December 1997) .	43
10 World Newbuilding Demand (Projected Orders)	46

LISTING OF TABLES

<u>TABLES</u>	<u>PAGE</u>
1 Approved Title XI Applications, FY 1997-1998 (as of April 1, 1998)	8
2 MARITECH Projects by Fiscal Year	10
3 Commercial Vessels Delivered	12
4 Commercial Shipbuilding Orderbook (as of April 1, 1998) . .	17
5 Military Ships Under Construction (as of April 1, 1998)	18
6 T-Ships on Order or Under Construction (as of April 1, 1998)	21
7 Navy Shipbuilding Plan (Fiscal Years 1998-2003)	42
8 Oil Tanker Newbuilding Demand (1998-2004)	46

LISTING OF PICTURES

<u>PICTURE</u>	<u>PAGE</u>
1 <i>American Progress</i> , 46,500 DWT product tanker Built by Newport News Shipbuilding, Newport News, VA Owner: Mobil Oil	i
2 <i>Monseigneur</i> , 38,200 DWT reconstructed product tanker Reconstructed by Avondale Industries, Inc. Avondale, LA Owner: American Heavy Lift Photographer: Chris Oxley	13
3 <i>Amalienborg</i> , 16,000 DWT chemical carrier Built by Alabama Shipyard, Inc., Mobile, AL Owner: Dannebrog Rederi A/S of Denmark Photographer: Thigpen Photography	14
4 <i>Norwegian Majesty</i> , cruise ship Baltimore Marine Industries, Inc., Baltimore, MD Owner: Norwegian Cruise Line	28
5 Raised pilot house tug Builder: Halter Marine Group, Inc. Gulfport, MS	30
6 Ship Docking Module (SDM) Builder: Halter Marine Group, Inc. Gulfport, MS Owner: Hvide Marine	30
7 <i>C-Champion</i> , launch of 67 meter platform supply boat Builder: Halter Marine Group, Inc. Halter-Pascagoula, Pascagoula, MS Owner: Alpha Marine Services, Larose, LA	36
8 <i>Seacor Vision</i> , 68.5 meter anchor handling/towing supply (AH/TS) vessel Built by: Halter Marine Group, Gulfport, MS Owner: SEACOR Marine, Inc., Houston, TX	36

LISTING OF PICTURES

(continued)

<u>PICTURE</u>	<u>PAGE</u>
9 <i>MV Ajax</i> , 66.4 meter anchor handling/tug supply (AHTS) vessel Built by Halter-Lockport, Lockport, LA Owner: SURF of Marseille, France Photographer: Scott Bavaret	38
10 Bahama Class Offshore Patrol Craft Builder: Halter Marine Group, Inc. Gulfport, MS Owner: Royal Bahamas Defence Force	38
11 <i>Gorilla V</i> , (under construction) self-elevating mobile offshore drilling unit (Jack-up rig) Builder: LeTourneau, Inc., Vicksburg, MS Owner: Rowan	50